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WHOLE No. 2557.

COUNTY ACT IS SURE TO BE AMENDED

Congress Will Not Accept the Law as the Legislature Made It.

(MAIL SPECIAL TO THE ADVERTISER.)

WASHINGTON, D. C., Jan. 4.—Representative Spalding, of North Dakota, chairman of the House subcommittee, which has in charge the County bill for Hawaii, said today that he intended soon to call a meeting to further consider that measure. It will have to be amended somewhat before it is favorably reported. When Mr. Spalding had his favorable report nearly drawn, following the directions of the full Committee on Territories, he happened upon a copy of Gov. Dole's report. Therein he found on page 48 the Governor's unfavorable comment upon that measure in sending it back to the Legislature.

"Those defects, as the Governor saw them," said Mr. Spalding today, "seem not to have been corrected. We intend now to go over the bill before us very carefully to correct those defects as much as possible. The bill presented to the committee was in general a very good bill. It was carefully drawn. The provisions for preventing grafting and corruption are good. But I did not like the omission of any provision for recording deeds in the States and Territories on the mainland. That was apparently an oversight. The framers of the law evidently followed their old law, before annexation, making provisions only for the recording of Hawaiian deeds before officials in foreign countries.

"Then some of us did not like the provisions about income taxes and taxes on inheritances. But I think we shall let that stand."

Mr. Spalding seems of the opinion that the bill before the committee will become law with various modifications. However, it will necessarily be some little time before it gets before the House. Ex-Attorney General E. P. Dole said today that he expected to remain in Washington a few days longer, after which he would go to New England to visit relatives, then returning again to Washington.

"My visit here," said he, "is of no public or political interest. It is entirely of a private character."

Further than that Mr. Dole had nothing to say for publication about his mission here.

ERNEST G. WALKER.

CONGRESS MAY CONTROL HAWAII'S MANY FRANCHISES

Ugly Phase of the Debate on the Electric Franchise Bill--Grosvenor Scores the Measure--Objections to Time Limit.

(Mail Special to the Advertiser.)

WASHINGTON, D. C., Jan. 10.—Franchise legislation for Hawaii has loomed up here as an important matter before Congress. This has suddenly developed, since my last letter, and was brought out by the refusal of the House last week to enact the legislation required for the electric light and power company on the island of Oahu. How the House sent the bill back to its committee on Territories for further consideration is already known in Honolulu. The chief objections to the bill, in the view of members of the House, is the long term franchise of 35 years, and unsatisfactory language about the charge for electric light and power. Representative Robinson, of Indiana, chairman of the subcommittee that considered the bill, believes it will become a law eventually. He said yesterday that he expected the company would send a representative from Honolulu to present information to the committee about the cost of electric lighting there. It is not expected that the bill will be presented to the House again for several weeks. The intention is to give ample time for consideration in committee.

Members of the committee outlined to me yesterday that the programme is to insert an amendment in the bill by which Congress shall at any time have the right to alter, amend, or repeal the franchise. There will probably be some amendment affecting the charges for light and power, to make that portion of the bill more satisfactory. Cablegrams have been exchanged between members of the committee and members of the company within the last few days.

But of far more importance than the bill itself is the attitude of members of the House towards franchise legislation generally. This attitude seems on the whole rather unfair to the islanders, because the organic law has imposed upon owners and holders of franchises the duty of coming to Congress to have bills, passed by the territorial legislature, approved by vote of Congress. In the case of other territories, the grants of franchises by their legislatures stand, unless Congress interposes. There is quite a distinction between the two requirements. For Hawaii there must be an affirmative vote by Congress. For other territories if Congress does not vote at all on the franchises, these franchises stand as valid.

The long term for which the franchises in Hawaii are granted by the legislature, is the chief item that aroused opposition here. A thirty-five year term looks very long to Congress. Then certain members of the committee discovered that there are also other franchise bills coming from Hawaii, requiring approval from Congress. This came from an examination of page 82 of Gov. Dole's last annual report. It was claimed, justly or unjustly, that some of these things were kept from the committee.

Then Congress is in a hostile frame of mind on the franchise question. It has had some bitter experiences with franchises here in the District of Columbia, for which Congress acts as a sort of Common council. The telephone, gas, and street railway corporations have in many instances defied Congress. The struggle has been a long and violent one. Senators and members are therefore very cautious and conservative in handling the franchise question for other communities.

MODIFYING HOME RULE.

The ugly phase of the situation for Hawaii is the talk in Congress, as the result of the electric light and power

(Continued on Page 5.)

THE KUHIO ROW HAD ITS ORIGIN IN A SALOON

The Washington Press and the Advertiser's Special Correspondent Give the Story In Detail--The Part of Clark.

The following is from the Washington Post of Jan. 6:

Jonah K. Kalaniana'ole, otherwise Prince Cupid, successor to Robert Wilcox as Hawaiian Delegate in Congress, was in the police court yesterday to answer a charge of intoxication and disorderly conduct.

Prince Cupid was arrested on Monday night after a tempestuous half hour in a downtown saloon, which was followed by a strenuous period in the patrol wagon and later in the First precinct police station. The rest of the night he spent in a cell, declaring the arrest an outrage and demanding vindication with every breath. Nor would he agree to being released on collateral, and only after being repeatedly assured of "fair and impartial treatment" in the police court yesterday would he consent to allow a friend to deposit \$5 as security for his appearance tomorrow, to which day the hearing was postponed.

Prince Cupid is a nephew of ex-Queen Liliuokalani.

THE ADVERTISER'S SPECIAL.

WASHINGTON, D. C., Jan. 10.—One of the liveliest themes of popular interest in the District of Columbia during the past seven days has been the arrest of Delegate Kalaniana'ole Monday evening last in front of Hiss' saloon on Thirteenth street, near Pennsylvania avenue, charged with disorderly conduct. It is stoutly claimed by the Delegate and his friends that a great injustice was done him and that he was neither intoxicated nor fighting. Nevertheless the press, particularly the sensational New York papers, have made the most of it.

Probably nothing whatever would have become public about the incident, however much or little the Hawaiian Delegate may have been to blame, but for his persistence in going to the police station and passing the night there, as a protest against the indignity to which he had been subjected. He refused to put up collateral or allow his friends to do so for him, which would have led to his immediate release. Then there was nothing to do but let the case go to the police court, where it is now awaiting trial. Some think, however, that it will be nolle prossed.

There was some disorder in the saloon, which is one of the most elaborate saloons in the city, and quarreling began. The Delegate went out on the sidewalk, while there was contention between the police and patrons inside. He refused to go away but asked some questions about the fighting, which led the police to make some remarks to him. It ended in talk about arresting him, whereat the Delegate is said to have defied them to do so. He understood that Senators, members of Congress and Delegates are immune from arrest. In that the Delegate entertained an erroneous opinion, for these men are all subject to arrest, according to the constitution for treason or breach of the peace and it has

frequently happened here that members of Congress have been put under arrest.

Holding such an opinion the Delegate naturally believed that a great injustice was being done him by the policemen, who took him away to the first precinct police station. He proclaimed to the officers that an outrage was being done him and the long and the short of it was that he practically insisted on remaining in a cell all of Monday night. If he had been willing to deposit collateral this could have been forfeited in court the next morning and nothing further would have been heard of the case.

Instead of that the Delegate insisted on fighting the case through the courts. The District Attorney is willing to nolle pross the case and finally Delegate Kuhio has consented to that but Policeman Garrison, who made the arrest, is holding out for a trial as a personal vindication of himself.

However little the Delegate deserved the notoriety to which he has been subjected, the incident is generally regretted here. It was unfortunate in more ways than one.

Mr. A. C. Gehr, of Honolulu, who has been here several weeks looking after his fight on the Kohala Ditch case, has gone west again. He has seen Secretary Hitchcock but states that there is nothing new to be said except that the fight is progressing. He will stay a week in Chicago and then make a hurried trip to Honolulu, expecting to return here in about 60 days. His interests are left in the hands of Ex-Senator Thurston and others during his absence.

Mr. Charles Clark, of Honolulu, who came here a few weeks ago to look after interests of Hilo and other Hawaiian matters, is back from a prolonged trip to New York and is at the National Hotel. He expects to remain here for some time. ERNEST G. WALKER.

ANOTHER PRESS STORY.

Prince Cupid, the Hawaiian Delegate to Congress, obtained a second postponement today of his trial on the charge of fighting on Monday night in front of a well known cafe in Thirteenth Street. His companion in trouble, Fred Clarke, was on hand and explained that the prince had matters of importance to attend to at the Capitol, and the case was continued until next Tuesday.

It was learned that an effort has been made by the prince to settle the case out of court, but such action is hardly probable. James L. Pugh, Assistant Corporation Counsel, is said to be willing to nolle pross the case, and Policeman Wolfe, who assisted in the arrest, is also willing. Policeman Garrison, who saw the mix-up and made the arrest, said this morning he would exercise his right and force the case to trial.

Policeman Garrison said that when arrested the prince, whose given name is Jonah Kuhio Kalaniana'ole, kicked up a general row, asserted that as a delegate in Congress he could not be arrested, and indulged in language which would vex the most phlegmatic man on the force. For that reason the policeman is determined to bring the case to trial and see whether or not a Hawaiian prince has the right to do anything he pleases in Washington without fear of arrest.—Washington Times.

GEAR STOCK GOES DOWN, LANSING STOCK GOES UP

A. V. Gear was busy on the streets yesterday trying to work up sentiment in behalf of himself for Assessor. It was whispered by his friends that Kepoikal had promised him the job, contingent on the assent of Governor Carter. To reach the latter Gear hopes to enlist the aid of the Republican Territorial Committee, whose ticket he knifed last fall. Several members of the committee are reported to have said that they would look further.

The name of Theodore F. Lansing has been favorably mentioned for assessor. His immigration office was discontinued a short time ago and he is available for the job. The need of having an honest man for Assessor is so marked that Mr. Lansing is one naturally to be thought of. He is a man of unblemished record and a Republican who has never intrigued against his party.

It is thought likely that all the grafters would be out for the Assessorship if they had studied up its possibilities. There is no office in the Territory which is so full of boodle opportunities. The chance to use assessments for blackmail is patent. On this account it is the duty of the authorities to exercise the utmost care in making a choice. The taxpayers have a right to look to them for protection.

Apropos of the Galbraith incident, which still causes much talk, the Advertiser has received the following letter from a member of the local bar:

Editor Advertiser: In the Davis disbarment case, Justice Galbraith may have inadvertently shown that he does not expect a re-appointment. Even as a politician of a coarse type, he disgraced himself. His associates, Frear and Perry, were individually the judges of their own competency to sit, and it was none of Galbraith's judicial business. He might have passed on his own competency and, if he had been honest with himself, he would openly have confessed his subservience to the old Humphreys clique. There was not even a pretext, much less a plausible reason, for the attack upon Frear and Perry, who were merely an impudent attempt to bully them out of the case. They only performed their duty, but still deserve credit for calling the bluff. Disrespect for Courts is a crime. For an associate justice to leave the merits of a case to vent personal spite against the other members of the Court is worse than a crime—it is a blunder. Stupidity and venom are the attributes of a pot-house. Galbraith is up to his neck in mud, and his head will soon disappear. Vale Galbraith. There will be no funeral ceremonies.

ASK CZAR TO ACCEPT HAGUE SETTLEMENT

Peace Advocates Get a Characteristic Answer From Russian Chancellory.

(ASSOCIATED PRESS CABLEGRAMS.)

LONDON, Jan. 22.—Sixty advocates of arbitration have sent telegrams to the Czar and the Mikado, urging reference of the difficulties between Russia and Japan to the tribunal at The Hague. It is stated that Russia acquiesces on condition that Korea and Manchuria shall remain amenable to Russia politically.

TOKIO, Jan. 22.—The belief in a peaceful settlement between Russia and Japan is growing. Fifteen million dollars have already been spent by this country on war preparations out of a treasury surplus of twenty-five millions.

SEOUL, Jan. 22.—Seven Ministers of State have resigned. An insurrection is threatened in the Southern provinces because of official oppression.

LONDON, England, Jan. 21.—Lord Lansdowne is now confident that war between Russia and Japan will be averted.

EVANS' SQUADRON FOR OLONGAPO.

WASHINGTON, Jan. 22.—Rear Admiral Evans' battleship and cruiser squadron has been ordered to Olongapo, (Subig Bay.)

DOWIE ON HIS WAY.

SAN FRANCISCO, Jan. 22.—Dowie the Zionist sailed for Honolulu and Sydney today.

LIGHT LET INTO FIDELITY INSURANCE CO'S METHODS

Notice is given by G. E. Smithies, Deputy Insurance Commissioner, with the approval of A. N. Kepoikal, Treasurer, and ex officio Commissioner, that the certificate of authority dated October 1, 1903, to the Fidelity Insurance Co., Ltd., of Honolulu to transact insurance business in the Territory of Hawaii is revoked. Advice was taken of the Attorney General's department beforehand.

Sixty days' notice had been given by the Deputy Commissioner before this action was taken, as the law provides. As previously reported, Mr. Smithies found on investigation that the Fidelity Insurance Co's deposit of security, which the law requires shall be of \$50,000 actual value, did not come up to the standard. The amount of \$11,543.17 was lacking according to his estimate of values.

To make up this deficiency the Fidelity Company purported to call in the balance of outstanding assessments on its stock, but as a matter of fact the assessable stockholders never paid up a cent of money. The greater part of the transaction was merely a piece of stock-trading jugglery between the Fidelity Insurance Co., and the Honolulu Investment Co. Even that business, as well as the payments by individual stockholders of the former, was based on demand notes. Those who know anything about the status of Honolulu Investment Co. stock might not find it hard to guess the rate at which a demand note of that corporation would be discounted by any bank in Honolulu. Mr. Smithies said yesterday:

"The Honolulu Investment Company transferred to the Fidelity Company an Iwilei leasehold valued at \$8,000 and gave the Fidelity Company a demand note for \$12,000. From each of the other stockholders the Fidelity Company received demand notes for the amounts due from them. I am satisfied under these circumstances that no cash was paid in at all and have therefore revoked the Fidelity Company's certificate allowing it to do business."

The payments made to the Fidelity Company, to bring it up to the law's standard, are stated as follows: Honolulu Investment Co., holding 4900 shares, \$19,600; A. V. Gear, \$90; W. M. Minton, \$90; Pan Con, \$90; W. R. Farrington, \$90; Emmett May, \$180. These sums amount to \$21,140.

Mr. Smithies said further, in comment on the Fidelity showing:

"I do not see how the company could meet policies. Its assets as shown by the statements are principally realty, of a kind that cannot be quickly converted into ready cash. Each piece, with the exception of the Iwilei lease-

hold, is subject to a mortgage. Under the law as it stands there was nothing for me to do but what I have done."

It might be added that there has been a good deal of talk for several months past among those stockholders of the Honolulu Investment Co., who are kept in the frigid zone by the directors, of taking legal steps to obtain an accounting of the company's operations and true standing and, if such showed it to be advisable, to have the company wound up and a distribution made of its assets.

"They never put up a cent of money," the Attorney General said yesterday. "The Honolulu Investment Co., and the Fidelity Insurance Co., merely traded stock. They have the same officers and one merely voted money to the other, and the 'cash' paid up in the Fidelity Company was nothing but demand notes. The Fidelity Company bought the Investment Company's stock, which has never paid a dividend. Its directors are exactly the same parties as those of the Fidelity Insurance Co."

Mr. Andrews was questioned on the subject after leaving his office yesterday evening, so was not in a position to refer to documentary particulars on file in his department.

The Honolulu Investment Co. was floated in the height of the 1899 boom, and its minority stockholders regard it today as a star humbug of that period. Most of the stock subscriptions called in the first year were plumped into the wildcat Maunalei plantation scheme and these forever disappeared.

The Fidelity Insurance Co. would appear to have been started by the directorate of the Honolulu Investment Co., with a special eye to capturing a share of the heavy bonding business under the County Act. It has done a good deal of bonding in the courts.

A statement of the Fidelity Insurance Co. is advertised in this issue by Emmett May, its secretary. Its list of assets consists in the main of property that the minority stockholders of the Honolulu Investment Co. have regarded as the sole value appertaining to their shares in that corporation. As the Deputy Commissioner points out, these interchangeable assets are, with one comparatively small exception, encumbered with mortgages.

X., coming from the seaside, was accosted by one of his friends who had stayed at Paris all the summer:

"Say, X., you needn't brag about the cool sea breezes. I have just received this morning a thermometer from where you spent your holidays, and it is exactly the same temperature as the Parisian thermometers."